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SENATE BILL 114

48TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2008

INTRODUCED BY

H. Diane Snyder

AN ACT

RELATING TO TAXATION; PROVIDING FOR AN INCOME TAX CREDIT FOR AMOUNTS PAID AS PREMIUMS FOR QUALIFIED LONG-TERM CARE INSURANCE CONTRACTS FOR TAXPAYERS OVER THE AGE OF FORTY-FIVE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. A new section of the Income Tax Act is enacted to read:

"~~[NEW MATERIAL]~~ CREDIT--LONG-TERM CARE INSURANCE CONTRACT PREMIUMS.--

A. A taxpayer who files an individual New Mexico income tax return and who is not a dependent of another individual may claim a credit in an amount determined pursuant to Subsection B of this section for amounts paid as premiums for qualified long-term care insurance contracts for the benefit of the taxpayer if the amounts paid as premiums have

underscoring material = new
[bracketed material] = delete

1 not been included in a claim for a deduction or credit pursuant
2 to the Internal Revenue Code or pursuant to another provision
3 of the Income Tax Act.

4 B. The credit provided in Subsection A of this
5 section may be claimed in an amount equal to the following
6 percentages of amounts paid as premiums for qualified long-term
7 care insurance contracts during the taxable year based on the
8 taxpayer's age as follows:

9 (1) twenty-five percent for taxpayers of at
10 least forty-five years of age but under fifty years of age;

11 (2) thirty-seven and one-half percent for
12 taxpayers of at least fifty years of age but under fifty-five
13 years of age;

14 (3) fifty percent for taxpayers of at least
15 fifty-five years of age but under sixty years of age;

16 (4) sixty-two and one-half percent for
17 taxpayers of at least sixty years of age but under sixty-five
18 years of age; and

19 (5) seventy-five percent for taxpayers of at
20 least sixty-five years of age.

21 C. For the purposes of this section, "qualified
22 long-term care insurance contract" means a qualified long-term
23 care insurance contract as defined in Section 7702(B)(b) of the
24 Internal Revenue Code.

25 D. A husband and wife who file separate returns for

underscoring material = new
[bracketed material] = delete

1 the taxable year in which they could have filed a joint return
2 may each claim only one-half of the credit that would have been
3 allowed on the joint return."

4 Section 2. APPLICABILITY.--The provisions of this act
5 apply to taxable years beginning on or after January 1, 2008.

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